

Guidance Regarding Identity Proofing for the Marketplace, Medicaid, and CHIP, and the Disclosure of Certain Data Obtained through the Data Services Hub

June 11, 2013

We encourage states that would like to discuss the impact of these changes on design, as well as state-specific implementation approaches, to contact their CCIIO State Officer or CMCS State Operations and Technical Assistance (SOTA) lead, as applicable. We also note that we will continue to work with our federal and state partners to explore additional solutions for future years.

Q1: What is identity proofing? Why is it necessary?

A1: In the context of the Marketplace, Medicaid, and CHIP, identity proofing refers to a process through which the Marketplace, state Medicaid agency, or state CHIP agency obtains a level of assurance regarding an individual's identity that is sufficient to allow access to electronic systems that include sensitive state and federal data. Identity proofing is used throughout the public and private sector to ensure the privacy of personal information, such that only the appropriate individuals have access to data to which access is restricted. In this context, a robust identity proofing process is a key piece of the comprehensive privacy and security framework that is needed when providing interactive access to an eligibility process that includes sensitive federal and state data. Once identity proofing has been completed, the individual who has been proofed may consent to the use and disclosure of trusted data necessary for making an eligibility determination, including data from federal agencies. For the Marketplace, Medicaid, and CHIP, identity proofing will rely on an electronic process to the maximum extent possible, and may also include a combination of paper-based and in-person approaches. We also note that identity proofing as described here is distinct from the citizenship and identity verification process specified in the Deficit Reduction Act of 2005 (Pub. L. No. 109-171), although we have taken steps to ensure operational alignment where possible to ease state implementation.

Q2: Who must be identity proofed as part of an online or telephonic application for enrollment in a qualified health plan (QHP) through the Marketplace in the individual market, advance payments of the premium tax credit, cost-sharing reductions, Medicaid and CHIP?

A2: In order to submit an online or telephonic application for enrollment in a qualified health plan (QHP) through the Marketplace in the individual market, advance payments of the premium tax credit, cost-sharing reductions, Medicaid and CHIP, the adult¹ application filer must complete identity proofing sufficient to provide CMS assurance level 2. An authorized representative for an applicant who is identified on the application must complete identity proofing sufficient to provide CMS assurance level 2. Please see question 11 regarding the process for application filers who are unable to complete electronic proofing.

We will provide future guidance regarding the applicability of identity proofing to a certified application counselor, in-person assister, agent, broker, or Navigator who is identified on the application as assisting the application filer, as well as to an employee or contractor of a

¹ If the application filer is an emancipated minor, he or she will also need to complete identity proofing.

Marketplace, state Medicaid agency, or state CHIP agency who is viewing personally identifiable information from applications and federal data sources.

Q3: Who must complete identity proofing as part of an online or telephonic application for SHOP?

A3: In order to submit an online or telephonic application for SHOP, employees, as well as primary and secondary employer contacts, will need to complete identity proofing sufficient to provide CMS assurance level 2.

Q4: When must identity proofing occur?

A4: The Federally-facilitated Marketplace (FFM) will be inserting the identity proofing process before the start of the online application. An application filer must complete identity proofing prior to the disclosure of any information obtained through the Hub to the application filer. We will provide future guidance regarding the applicability of identity proofing to a certified application counselor, in-person assister, agent, broker, or Navigator who is identified on the application as assisting the application filer.

Q5: What is necessary to achieve levels of assurance 1 and 2?

A5: See the below chart for information on the processes that the FFM will use to achieve assurance levels 1 and 2. A state-based Marketplace, state Medicaid agency, or state CHIP agency may utilize different processes, to the extent that they comply with privacy and security standards.

Level of Assurance	Process
Level 1	<ul style="list-style-type: none">• <i>Remote</i>: Confirmation via e-mailed link
Level 2	<ul style="list-style-type: none">• <i>Remote</i>: Collection of core attributes, including name, date of birth, SSN (optional), address, phone number, and e-mail address; validation of core attributes with trusted data source; collection and validation of responses to knowledge-based questions for a share of the population.• <i>Delegated</i>: Remote or in-person proofing completed by a trusted entity

Q6: What services will CMS provide to support identity proofing?

A6: CMS will provide a remote identity proofing (RIDP) service that is available to Marketplaces, state Medicaid agencies, and state CHIP agencies through the Data Services Hub (Hub) and supports CMS assurance levels 2 and 3. This service will accept core data elements from the requesting entity, provide identity proofing questions (also known as “out-of-wallet” questions) as applicable, validate the core data elements and responses to identity proofing questions, and provide a response as to whether proofing is complete, or whether additional

proofing is necessary. If additional proofing is necessary, the requesting entity will refer the individual who is being proofed to a call center that is associated with the RIDP service, which will provide the individual with an additional opportunity to complete proofing. The RIDP service will notify the requesting entity regarding the outcome of this interaction. Please see question 11 regarding the process for application filers who are unable to complete electronic proofing, which will be managed by the Marketplace, state Medicaid agency, or state CHIP agency that is accepting the application. CMS will also provide a multi-factor authentication (MFA) service that is available to Marketplaces, state Medicaid agencies, and state CHIP agencies through the hub.

Q7: Will federal tax information (FTI) obtained from the IRS via the data services hub, data regarding income from title II benefits obtained from SSA via the data services hub, or the number of quarters of coverage obtained from SSA via the data services hub² be disclosed to an application filer, an applicant, or an individual who is identified on the application as assisting the application filer (agent, broker, certified application counselor, in-person assister, or Navigator) through the application process?

A7: No. In order to reduce the amount of identity proofing needed during the application process, Federal tax information, data regarding income from title II benefits obtained from SSA via the hub, and the number of quarters of coverage obtained from SSA via the hub will be disclosed only to the requesting Marketplace, state Medicaid agency, or state CHIP agency, and used by those entities in the eligibility process. The single, streamlined application will not enable the disclosure of FTI, data regarding income from title II benefits obtained from SSA via the hub, and the number of quarters of coverage obtained from SSA via the hub (for example, through pre-population of the application), and a receiving entity may not disclose it on an eligibility notice or in response to a customer service inquiry. FTI, data regarding income from title II benefits obtained from SSA via the hub, and the number of quarters of coverage obtained from SSA via the hub may be used internally by the Marketplace, state Medicaid agency, and state CHIP agency for the purposes of conducting verifications and determining eligibility for enrollment in a QHP through the Marketplace and for insurance affordability programs as applicable, and must be safeguarded in accordance with applicable regulations and IRS publication 1075 (for FTI). This change has been made to ensure adherence with Federal law, avoid significant consumer experience challenges associated with additional identity proofing for application filers, as well as for other adults in certain circumstances, and to avoid the need to make changes to systems design to facilitate this level of identity proofing.

Changes to the Application

Accordingly, the model single, streamlined application and any state-developed alternative application will not display FTI or data regarding income from title II benefits obtained from SSA via the hub. During the “expedited” income component of the application, the model application for 2014 includes an option for an application filer to attest that his or her projected annual household income for 2014 will be the same as his or her FTI and data regarding income

² Certain states require that an applicant who is a lawful permanent resident have 40 quarters of coverage or more in order to be eligible for Medicaid in that state. These quarters of coverage can be earned by the applicant themselves, a spouse or former spouse of the applicant, if earned when married to the applicant, or a parent of the applicant, if earned while the applicant was under age 18.

from title II benefits obtained from SSA via the hub (without viewing the IRS and SSA data within the application) or to provide another figure. If an application filer attests that the data on file is an accurate representation of his or her projected annual household income for 2014, the FFM will utilize this attestation for the eligibility determination, and not allow the application filer to view the underlying FTI or data regarding income from title II benefits obtained from SSA via the hub in his or her electronic account, and may not include it on his or her eligibility notice. We note that prior versions of the model single, streamlined application were designed to display FTI and data regarding income from title II benefits obtained from SSA via the Hub. Unfortunately, this disclosure is not possible without additional proofing. The FFM will also not display the number of quarters of coverage obtained from SSA via the hub in the application, electronic account, or eligibility notice. The non-disclosure of quarters of coverage obtained from SSA via the hub does not represent a change from prior drafts of the model application.

Customer Service Inquiries

If an application filer contacts the Marketplace, state Medicaid agency, or state CHIP agency and requests the FTI, data regarding income from title II benefits obtained from SSA via the hub, or the number of quarters of coverage obtained from SSA via the hub used in processing his or her application, the Marketplace, state Medicaid agency, or state CHIP agency will provide the application filer with information on how to move forward to resolve any open verification issue, and may not provide the underlying data. If the applicant is still interested in obtaining the underlying FTI, data regarding income from title II benefits obtained from SSA via the hub, or the number of quarters of coverage obtained from SSA via the hub used in processing his or her application, the Marketplace, state Medicaid agency or state CHIP agency will be able to provide instructions to the applicant on how to locate the data in tax and Social Security benefit documents they already have or how to interact directly with IRS or SSA.

Unresolved Income Inconsistencies for Advance Payments of the Premium Tax Credit and Cost-Sharing Reductions

45 CFR 155.320(c)(3)(vi)(E) specifies that if the Marketplace is unable to verify projected annual household income at the conclusion of the inconsistency period, it will determine eligibility based on FTI and income from title II benefits obtained from SSA via the hub. In this situation, the Marketplace notice to the application filer will include the resulting eligibility determination, including the maximum amount of the advance payment of the premium tax credit (if applicable), and may not include the underlying data. The Marketplace may explain in the notice to the application filer that the resulting determination is based on data from the Internal Revenue Service and the Social Security Administration.

Eligibility Appeals

If an individual appeals his or her eligibility determination and needs access to FTI, the Marketplace, state Medicaid agency, or state CHIP agency will collect a handwritten signature (either an original or a copy) from the adult application filer to authorize the disclosure. If an application includes more than one tax household, or if the individual needs access to data regarding income from title II benefits obtained from SSA via the hub or the number of quarters of coverage obtained from SSA via the hub, the Marketplace, state Medicaid agency, or state CHIP agency will collect handwritten signatures from every adult listed on the application to authorize the disclosure. These signatures can be mailed or uploaded to the Marketplace, state

Medicaid agency, or state CHIP agency, and the Marketplace, state Medicaid agency, or state CHIP agency may also elect to receive them via facsimile. We are working with our federal partners to develop appropriate authorizing language to pair with the signature or signatures, and will share this with states in the future.

Annual Redetermination

We intend to address the treatment of FTI and data regarding income from title II benefits obtained from SSA via the Hub with respect to pre-populated redetermination notices in future guidance.

Failure to Reconcile

Regulations at 45 CFR 155.305(f)(4) provide that APTC will not be provided when the IRS notifies the Marketplace as part of the income verification process for eligibility determinations for 2015 and beyond that APTC was provided on behalf of the tax filer or his or her spouse for a year for which tax data would be utilized for verification of household income and family size, and the tax filer or his or her spouse did not comply with the requirement to file an income tax return for that year. We are working with IRS to ensure that this can be implemented within the constraints on disclosure, and expect that the responsibility of the Marketplace in such a situation will be to notify the application filer to contact the IRS to get information regarding the issue and how to resolve it. We also note that this situation will not occur until the open enrollment period that begins on October 15, 2015.

Data that May be Disclosed

We note that any information provided on an application by an application filer may be displayed as part of the application, eligibility notice, and electronic account. Further, the following data elements that are calculated by the Marketplace, state Medicaid agency, or state CHIP agency are based on multiple sources of data and may be disclosed as part of the eligibility and enrollment process: income and household size as a percentage of the federal poverty level; the maximum amount of advance payments of the premium tax credit (APTC); and the actual amount of APTC elected by a tax filer during the plan selection process and applied for a given time period.

Q8: Can current income data obtained from Equifax Workforce Solutions via the data services hub be disclosed to an application filer, an applicant, or an individual who is identified on the application as assisting the application filer (agent, broker, certified application counselor, in-person assister, or Navigator) through the application process?

A8: Current income data for an adult obtained from Equifax Workforce Solutions via the data services hub may be disclosed only to the adult himself or herself, to his or her authorized representative, or to any individual identified on the application as assisting the adult (agent, broker, certified application counselor, in-person assister, or Navigator), provided that the adult completes identity proofing sufficient to provide CMS assurance level 2, and any individual identified on the application as assisting the adult completes identity that provides a sufficient level of assurance. Current income data for a minor child obtained from Equifax Workforce Solutions via the data services hub may be disclosed to the legal guardian of the minor child,

provided that the legal guardian completes identity proofing sufficient to provide CMS assurance level 2.

If an application filer contacts the Marketplace, state Medicaid agency, or state CHIP agency and requests the data obtained from Equifax Workforce Solutions via the data services hub used in processing his or her application, the Marketplace, state Medicaid agency, or state CHIP agency will provide the application filer with instructions on how to submit information to resolve any open verification issue. The Marketplace, state Medicaid agency, and state CHIP agency will also be able to direct such an individual to Equifax to obtain the source information if necessary.

If an individual appeals his or her eligibility determination and needs access to the data obtained from Equifax Workforce Solutions via the hub, the Marketplace, state Medicaid agency, or state CHIP agency will collect a physical signature (either an original or a copy) from every adult whose data is needed. These signatures can be mailed or uploaded to the Marketplace, state Medicaid agency, or state CHIP agency, and the Marketplace, state Medicaid agency, or state CHIP agency may also elect to receive them via facsimile.

We intend to address the treatment of current income data obtained from Equifax Workforce Solutions via the Hub with respect to pre-populated redetermination notices in future guidance.

Q9: Is Social Security number (SSN) required for the remote identity proofing (RIDP) service?

A9: No. SSN will greatly improve the ability of the RIDP process to provide a sufficient level of assurance, but is not required.

Q10: How does identity proofing affect paper applications?

A10: The identity proofing process described in this set of questions and answers is designed to support the online and telephonic application processes, which will provide immediate feedback based on information contained in federal data sources. For a paper application, the adult application filer will sign his or her name under penalty of perjury, which is sufficient to enable the Marketplace, state Medicaid agency, or state CHIP agency to adjudicate the application. If an individual who submitted a paper application then wants to move into an electronic process (e.g. to conduct QHP selection online), he or she will need to complete the identity proofing process described in this set of questions and answers.

Q11: What if an individual who needs to complete identity proofing cannot complete the electronic proofing process?

A11: In order to ensure the security of the electronic process, an individual who cannot complete the electronic proofing process will need to submit satisfactory documentation to the Marketplace, state Medicaid agency, or state CHIP agency in order to proceed electronically. Upon receipt of satisfactory documentation, the Marketplace, state Medicaid agency, or state CHIP agency will upgrade the individual to CMS assurance level 2.

First, an individual can submit a copy of one of the following documents to the Marketplace, state Medicaid agency, or state CHIP agency, provided that such document has either a photograph of the individual or other identifying information of the individual such as name, age, sex, race, height, weight, eye color, or address. Submission can occur through mail or via an electronic upload process.

- Driver's license issued by state or territory
- School identification card
- Voter registration card
- U.S. military card or draft record
- Identification card issued by the federal, state, or local government, including a U.S. passport
- Military dependent's identification card
- Native American Tribal document
- U.S. Coast Guard Merchant Mariner card

If an individual cannot provide a copy of one of these documents, he or she can also submit two of the following documents that corroborate one another: a birth certificate, Social Security card, marriage certificate, divorce decree, employer identification card, high school or college diploma (including high school equivalency diplomas), and/or property deed or title. A Marketplace, state Medicaid agency, or state CHIP agency may accept additional documents, provided that these documents are described in the Marketplace/agency's security artifacts. The Marketplace, state Medicaid agency, and state CHIP agency should clearly explain to applicants that they should not submit original documents, and should be able to answer questions regarding acceptable documentation and the identity proofing process.

Further, if one of the above documents or combination of documents has been accepted by another state agency, the Marketplace, State Medicaid agency, or State CHIP agency may use this as the basis to upgrade an account to CMS assurance level 2.

Lastly, we also note that an individual who submits a paper application and does not seek electronic access to the eligibility process will not need to provide the documentation for identity proofing purposes.

Q12: Can in-person proofing be substituted for electronic proofing?

A12: A Marketplace, state Medicaid agency, or state CHIP agency may choose to allow in-person proofing when an individual is filing an application in person, although it may not require in-person proofing. In-person proofing for CMS assurance level 2 involves the presentation of a document or documents in accordance with the standards outlined in question 11.

Q13: If identity proofing is successful, does a Marketplace, state Medicaid agency, or state CHIP agency need to repeat it at any point in the future?

A13: We have not yet determined which events would trigger reproofing.

Q14: Can an individual still complete an online or telephonic application if he or she is unable to complete the electronic proofing process?

A14: Yes, such an individual can complete an electronic application that is structured to not provide any real-time feedback (e.g. no interactive SSN validation process, no income verification, no eligibility results). Eligibility results may be provided once proofing is completed through the alternate process.

Technical Questions

Q15: Does the remote identity proofing (RIDP) service have any prevention/detection controls to prevent extensive verification performed for the same information/individual?

A15: Yes. There are a number of fraud detection capabilities through the RIDP service which help determine the level of confidence (e.g., behavior of transaction, IP address blacklists, SSN fraud lists, etc.). CMS will select settings that limit the number of attempts that can be made, the duration in which a person must answer a question and the number of times data can be repeated or presented.

Q16: Does the remote identity proofing (RIDP) service provide a score that will help the requesting entity determine the level of confidence with the verification? If not, how is the level of confidence determined? And, will the confidence rating be returned back?

A16: The RIDP service will return whether an individual passed or failed the RIDP process, and will not provide a score. The pass/fail assessment is based upon a confidence matrix which is maintained by CMS.

Q17: Can states use the remote identity proofing (RIDP) service and/or the proofing results obtained through the service for SNAP, TANF and other programs?

A17: The RIDP service can only be initiated for the purposes of identity proofing related to eligibility for enrollment in a QHP through the Marketplace (including through the SHOP), Medicaid, and CHIP or eligibility for an exemption from the shared responsibility payment. However, other programs could use the identity proofing results that were obtained through the RIDP service.

Q18: What are the inputs and outputs for the remote identity proofing (RIDP) service?

A18: Please refer to the RIDP and MFA BSDs available through Centrasite.
(DSH_RD_BSD_Remote_ID_Proofing(1).docx and DSH_RD_BSD_MFAUsrMgtAuth.doc, respectively)

Q19: When will the Web Services Description Language (WSDL) for the remote identity proofing (RIDP) service be available?

A19: The service specification for the RIDP service, including the WSDL, is available through Centrasite.

Q20: When will the remote identity proofing (RIDP) service be available for testing?

A20: The RIDP service was made available as part of the wave testing process in March. The MFA service will likely not be available for testing until June.

Q21: Can a Marketplace, state Medicaid agency, or state CHIP agency choose specific identity proofing questions within the remote identity proofing (RIDP) service?

A21: The identity proofing questions available through the RIDP service will be standardized.

Q22: Do any individuals need to be proofed at assurance level 4? Is a hard token mandatory for this level of assurance?

A22: Level 4 is primarily for those with system level or root access to systems and databases. A hard token is required to achieve this level of assurance. CMS suggests that states explore various vendor options as there are several cost-effective solutions in this area.

Q23: Have the identity proofing questions been subject to any federal focus group reviews to ensure the questions are appropriate and easy to understand?

A23: The vendor providing services to CMS conducts regular consumer studies regarding their question to ensure they are clear and easily understood. CMS is evaluating additional targeted consumer testing and will also be monitoring the implementation of identity proofing and maintaining the capability to make adjustments as needed.

Q24: Is the remote identity proofing (RIDP) service available in Spanish?

A24: Yes, the RIDP service will be available in Spanish.